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**Consumer Federation of America**

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Fax Coversheet

From Dr. Mark N. Cooper
Director of Research
Tel. 301/384-2204

To: Mike Feazel
Communications Daily

Fax: 202-293-3435

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Consumer Group to FCC: DTV Yes, Costly Government Mandate No.

For Immediate Release

For more information contact: Mark Cooper at (301) 384-2204

(Washington, DC/November 27, 2000) In a letter delivered today to Federal Communications Commission Chairman William Kennard, Mark Cooper, the Consumer Federation of America's Director of Research, urged the FCC not to require that by 2003 every television set over 13" have digital reception capability. In the letter Cooper supported Commission efforts to demand that broadcasters develop digital programming, but called on the Commission to refrain from imposing a government mandate that places "an unnecessary and unfair cost on America's consumers."

Full text of the letter follows.

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ABCDEF



Consumer Federation of America

November 27, 2000

The Honorable William Kennard
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Kennard:

We agree with and strongly support the efforts of the Federal Communications Commission (FCC) to foster an orderly transition to digital television (DTV) and to ensure that Americans have over-the-air access to digital programming by 2006. We also believe that FCC efforts to ensure that broadcasters remain committed to the programming transition schedule that they agreed to when they received the digital spectrum are important and just.

We are concerned, however, with recent suggestions that the FCC will move to require that every analog television set over 13 inches have DTV reception capability by 2003. Such a mandate would mean that the price of television sets would increase dramatically – by hundreds of dollars per set.

We feel that such a move is unwarranted, for a number of reasons:

- The increase is completely unjustified and an unnecessary burden on all consumers. It would impact low-income consumers most.
- Indeed, some low-income consumers who need a new television set but are unable to afford it may potentially be priced out of the market, and so be cut off from the most important sources of news and information in our information society.
- Cheaper options, such as digital converters, will be undermined by such a mandate, because the market for upgrades to small analog TVs will not be very attractive.

The original idea was to stimulate consumer demand for digital receivers through the increased availability of digital programming. The broadcasters, who were given the use

of a valuable public resource - digital spectrum, were asked to develop programming for that spectrum. Because they were given free use of the spectrum (valued at as much as \$70 billion), it was fair that they bear the burden of developing the programming to pull consumers into the digital TV age.

The FCC's current proposal contradicts that fundamental logic. It seeks to *push* consumers towards a digital transition by forcing them to buy much more expensive sets. Imposing these costs on the public - because the broadcasters have reneged on their part of the bargain - is outrageous. This proposal represents a capitulation by the FCC to the broadcasters, whose refusal to provide more digital programming has already slowed the transition to digital TV. This proposal provides no real incentive to produce digital programming, because the new sets would still have analog capacity.

It is clear that keeping broadcasters on track to fulfill their commitment and meet the 2006 deadline for full digital programming is the most expedient way that we can ensure a complete and equitable conversion to DTV. We urge the Commission to continue to demand that broadcasters develop digital programming. We urge the Commission to refrain from enacting a government mandate that will place an unnecessary and unfair cost on America's consumers.

Sincerely yours,



Mark Cooper
Director of Research

CC: The Honorable Susan Ness
The Honorable Harold W. Furchtgott-Roth
The Honorable Michael K. Powell
The Honorable Gloria Tristani
The Honorable John McCain
The Honorable Ernest Hollings
The Honorable Tom Bliley
The Honorable John D. Dingell
The Honorable W.J. Tauzin
The Honorable Edward J. Markey